GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:927
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Revenue from IT/ITES Industry
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Government has set any target to increase the revenue of IT and ITES Industries in the country;
(b) if so, the details of the revenue generated from the said sector during the last three years, year-wise;
(c) whether the Government is aware that there is lack of infrastructure to facilitate the IT&ITES industries in the country including in the Bengaluru region;
(d) if so, whether the Government is taking any steps to encourage the said industries; and
(e) if so, the steps taken by the Government in this regard?

Answer

(a) and (b): As per the National Policy on Information Technology (NPIT), it is envisaged to increase revenues of IT and ITES Industry to USD 300 Billion by 2020 including exports of USD 200 Billion. The total Revenue (Exports and Domestic) of Indian IT-ITES industry during the last three years is as under :

Total Revenue of Indian IT-ITES sector (Including Exports and Domestic)

Year	2012-13	2013-14	2014-15
Revenue in INR Crore	519330	642076	729432
Revenue in US$ Billion	96	106	119

Source : NASSCOM SR 2016

(c): The Department of Commerce (DoC), Ministry of Commerce & Industry has notified 203 IT-ITES specific Special Economic Zones (SEZs) out of which, 22 IT-ITES SEZs are in Bengaluru region. These IT-ITES SEZs are significantly contributing towards the growth of IT-ITES exports from the country.

Further, Software Technology Parks of India (STPI), an autonomous society under the Department of Electronics & Information Technology (DeitY), Ministry of Communications & Information Technology is engaged in the promotion and development of IT-ITES. STPI has set up 54 STPI centres across the country including Bengaluru, Hubli, Mangalore, Manipal and Mysore in the State of Karnataka. To promote investment in the IT-ITES/ Electronic Hardware Manufacturing (EHM) units, DeitY had notified setting up of Information Technology Investment Regions (ITIRs) near Bengaluru on 26.06.2013 and Hyderabad on 13.11.2013 after taking approval of Cabinet Committee on Economic Affairs (CCEA). The ITIR near Bengaluru will be set-up over an area of 42.51 sq. kms. (approximately10, 500 acres) and is to be developed in 2 phases.

(d) and (e): The Government extends several incentives for Information Technology Sector. Currently, the IT-ITES SEZ units are eligible for tax benefits as per Section 10AA of the Income Tax Act for a period of 15 years in a phased manner. Under the Software Technology Parks (STP) scheme, which is administered by the STPI, IT-ITES units are eligible for various benefits such as Customs Duty exemption on imported goods, reimbursement of Central Sales Tax (CST) and Excise Duty exemption on procurement of indigenously manufactured goods. Further, DOC, through Marketing Development Assistance (MDA) and Market Access Initiatives (MAI) Scheme assists exporters especially Small & Medium Enterprises (SMEs) for export promotion activities abroad.

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